

TRIUMPH BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of the estimated fair values of assets acquired, liabilities assumed, consideration transferred, and the resulting goodwill is as follows:

<i>(Dollars in thousands)</i>	<u>Initial Values</u>	<u>Measurement Period Adjustments</u>	<u>Adjusted Values</u>
Assets acquired:			
Cash	\$ 170	\$ —	\$ 170
Intangible assets - capitalized software	16,932	—	16,932
Intangible assets - customer relationship	10,360	—	10,360
Other assets	1,546	24	1,570
	<u>29,008</u>	<u>24</u>	<u>29,032</u>
Liabilities assumed:			
Deferred income taxes	4,703	(3,230)	1,473
Other liabilities	906	16	922
	<u>5,609</u>	<u>(3,214)</u>	<u>2,395</u>
Fair value of net assets acquired	<u>\$23,399</u>	<u>\$ 3,238</u>	<u>\$26,637</u>
Consideration:			
Cash paid	<u>\$97,096</u>	<u>\$ —</u>	<u>\$97,096</u>
Goodwill	<u>\$73,697</u>	<u>\$(3,238)</u>	<u>\$70,459</u>

The Company has recognized goodwill of \$70,459,000, which included measurement period adjustments related to customary settlement adjustments and the finalization of the HubTran stub period tax return and its impact on the acquired deferred tax liability. Goodwill was calculated as the excess of the fair value of consideration exchanged as compared to the fair value of identifiable net assets acquired and was allocated to the Company's Payments segment. The goodwill in this acquisition resulted from expected synergies and progress in the development of a fully integrated open loop payments network for the transportation industry. The goodwill will not be deducted for tax purposes. The initial accounting for the acquisition has not been completed because the fair values of the assets acquired and liabilities assumed as well as the deferred income taxes assumed have not yet been finalized.

The intangible assets recognized include a capitalized software intangible asset with an acquisition date fair value of \$16,932,000 which will be amortized on a straight-line basis over its four year estimated useful life and two customer relationship intangible assets with a total acquisition date fair value of \$10,360,000 which will be amortized utilizing an accelerated method over their eleven year estimated useful lives.

Revenue and earnings of HubTran since the acquisition date have not been disclosed as the acquired company was merged into the Company and separate financial information is not readily available.

Expenses related to the acquisition, including professional fees and other transaction costs, totaling \$2,992,000 were recorded in noninterest expense in the consolidated statements of income during the year ended December 31, 2021.

Transport Financial Solutions

On July 8, 2020, the Company, through its wholly-owned subsidiary Advance Business Capital LLC ("ABC"), acquired the transportation factoring assets and certain personnel (the "TFS Acquisition") of Transport Financial